



C A L I F O R N I A D E P A R T M E N T O F
Mental Health

REQUEST FOR PROPOSAL
Home and Community Based Services Waiver Consultant, RFP# 05-75166-000

June 2, 2005

You are invited to review and respond to this Request for Proposal (RFP) 05-75166-000, entitled Home and Community Based Services Waiver Consultant. In submitting your proposal, you must comply with these instructions. Prospective proposers to the Department of Mental Health must submit a Mandatory Letter of Intent by June 15, 2005.

Note that all agreements entered into with the State of California will include by reference General Terms and Conditions and Contractor Certification Clauses that may be viewed and downloaded at Internet site www.ols.dgs.ca.gov/standard+language. If you do not have Internet access, a hard copy can be provided to you by contacting the person listed below.

In the opinion of Department of Mental Health, this RFP is complete and without need of explanation. However, if you have questions, or should you need any clarifying information, the contact person for this RFP is:

Rita McCabe-Hax
Department of Mental Health
1600 - 9th Street, Room 100
Sacramento, CA 95814
(916) 654-5722

Please note that no *verbal* information given will be binding upon the State unless such information is issued in writing as an official addendum.

TERRIE TATOSIAN
Procurement and Contracting Officer

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A) Purpose and Description of Services

The State of California Department of Mental Health (DMH) has been expanding its commitment to the planned provision of specialty mental health care in a managed care model of service delivery for Medicaid (Medi-Cal) since 1995. Under the current 1915(b) federal waiver program, a single managed mental health plan, the county mental health department, is responsible for the administration and provision of services in each county directly and/or through contract providers.

The purpose of this Request for Proposal (RFP) is a contract with a specialized individual or organization to serve as a consultant to assist the DMH in researching, developing and making recommendations regarding the feasibility of applying for and maintaining a Home and Community Based Services (HCBS) Waiver program with the goal of maintaining the quality of and seeking innovations in the existing specialty mental health services program while reducing State General Fund (SGF) costs for community mental health services and the state hospital system.

Public Law 97-35 was enacted in 1981. Section 2176 of this law established section 1915(c) of the Social Security Act (the Act), the Medicaid HCBS Waiver program. This legislation provided a vehicle for states, for the first time, to offer additional services not otherwise available through their Medicaid programs to serve people in their own homes and communities. HCBS waivers afford States the flexibility to develop and implement creative alternatives to placing Medicaid-eligible individuals in hospitals, nursing facilities or intermediate care facilities for persons with mental retardation. The HCBS waiver program recognizes that many individuals at risk of being placed in these facilities can be cared for in their homes and communities, preserving their independence and ties to family and friends at a cost no higher than that of institutional care. The HCBS waiver program, section 1915(c) of the Act is the Medicaid program alternative to providing long-term care in institutional settings.

Under the original legislation, States were authorized to request and provide with Federal Health and Human Services Secretarial approval, homemaker/home health aide services, personal care services, adult day health, habilitation, case management, respite care and "other" services requested by the State as the Secretary may approve. Room and Board is specifically excluded except for institutional respite care and live-in personal caregivers. The initial legislation offered home and community-based services to individuals who absent the waiver would require skilled nursing facility or intermediate care facility services including ICF/MR (now nursing facility for skilled nursing and intermediate care facility services). Subsequent to the original legislation, Congress has: 1) expanded the waiver authority to individuals who absent the waiver would require hospital level of care; 2) extended the renewal authority from three years to five years; 3) limited waivers of Medicaid statutes to section 1902(a)(10)(B) rather than the broad section 1902(a) waiver offered in the original legislation; 4) added, with exceptions, prevocational, educational and supported employment to habilitation services; and 5) included day treatment or other partial hospitalization services, psychosocial

rehabilitation services and clinic services (whether or not furnished in a facility) for individuals with chronic mental illness.

States have the flexibility to design HCBS waiver programs to meet the specific needs of defined groups. Federal regulations permit HCBS waiver programs to serve the elderly, persons with physical disabilities, developmental disabilities, mental retardation or mental illness. States may also target HCBS waiver programs by specific illness or condition, such as technology-dependent children or individuals with AIDS, as well as persons with acquired or traumatic brain injury. States can make home and community-based services available to individuals who would otherwise qualify for Medicaid only if they were in an institutional setting. In other words, individuals receiving services under an HCBS waiver program must meet either a hospital, nursing facility or intermediate care facility's level of care for persons with mental retardation.

States may offer a variety of services to participants under an HCBS waiver program and are not limited to the number of services that can be provided. States may use an HCBS waiver program to provide a combination of both traditional medical services (i.e. dental services, skilled nursing services) as well as non-medical services (i.e. respite, case management, environmental). There are no specific services that must be offered in an HCBS waiver program. Additionally, there is no limit on the number of services that can be offered under a single waiver program as long as the waiver retains cost-neutrality and the services are necessary to avoid institutionalization.

Under section 1915(c) of the Act, States may request waivers of certain Federal requirements in order to develop Medicaid-financed home or community-based treatment alternatives. The three requirements that may be waived are in section 1902 of the Act and deal with statewideness (1902(a)(1), comparability of services (1902(a)(10(B)) and community income and resource rules for the medically needy (1902(a)(10)(C)(i)(III)).

States can implement 1915(b) and 1915(c) concurrent waivers as long as all Federal requirements for both waiver programs are met. Therefore, when submitting applications for concurrent 1915(b)/(c) programs, States must submit a separate application for each waiver type and satisfy all of the applicable requirements. For example, States must demonstrate cost neutrality in the 1915(c) waiver and cost effectiveness in the 1915(b) waiver. States must also comply with the separate reporting requirements for each waiver. Because the waivers are approved for different time periods, renewal requests must be prepared separately and submitted at different points in time. Meeting these separate requirements is somewhat cumbersome for States, and can be a potential barrier for States that are considering going forward with such a program. However, the ability to develop an innovative managed care program that integrates home and community-based services with traditional State plan services is appealing enough to some States to outweigh the potential barriers.

To receive approval to implement HCBS waiver programs, State Medicaid agencies must assure the Centers for Medicare and Medicaid Services (CMS), formerly known as the Health Care Financing Administration, that, on an average per capita basis, the cost of providing home and community-based services will not exceed the cost of care for the identical population in an institution. The Medicaid agency must also document and assure that necessary safeguards are in place to protect the health and welfare of beneficiaries. Additional federal requirements for states choosing to implement an HCBS waiver program include:

- Ensuring that measures will be taken to protect the health and welfare of participants;
- Providing adequate and reasonable provider standards to meet the needs of the target population; and
- Ensuring that services are provided pursuant to a plan of care.

An application for an HCBS waiver must be submitted by the State Medicaid agency to the Centers for Medicare and Medicaid Services for review and approval. The California Department of Health Services (State Medicaid agency) has the ultimate responsibility for an HCBS waiver program. However, the California Department of Health Services may delegate the day-to-day operation of the program to the California Department of Mental Health. Initial HCBS waivers are approved for a three-year period. Waivers may be renewed for five-year intervals.

Background

As the State began to move towards a managed care model in the delivery of physical health services to the Medi-Cal population, one of the driving forces was to design a system that would integrate and coordinate care. This led to the plan to consolidate the two Medi-Cal funding streams for mental health services that existed prior to the advent of managed care for mental health services.

Implementing a managed care model for mental health services was designed to provide a cost containment strategy that would allow a prudent purchaser of services to obtain maximum benefit for its expenditures while at the same time allowing for increased access to specialty mental health services within the same level of funding. Consolidating the two mental health funding streams helped achieve this by improving care coordination and reducing administrative costs. In addition, consolidating services assured consistent statewide access to Medi-Cal beneficiaries receiving specialty mental health services.

The decision to provide specialty mental health services in California through a single plan in each county logically followed the decision to carve out Medi-Cal specialty mental health services and to consolidate the two mental health delivery systems and various funding streams. This decision necessitated a 1915(b) "freedom of choice" waiver from CMS. This waiver allowed California to have a

single plan model whereby beneficiaries in need of specialty mental health services have one plan available in each county as opposed to the more traditional managed care model with a choice of at least two plans in each locality.

The selection of county mental health departments to be the single managed care plan for consolidated Medi-Cal specialty mental health services was a natural outgrowth of the extensive experience counties have had in serving the mental health needs of communities. County mental health departments were given the "first right of refusal" in choosing to be the mental health plan (MHP) for the county, although there are provisions to choose another entity to be the MHP if a county chooses not to assume that role. Most counties in California chose to become the MHP for their Medi-Cal beneficiaries; two counties chose to partner with another county to be the MHP.

The Medi-Cal Specialty Mental Health Services Consolidation program began in January 1995 with county mental health departments taking on responsibility for authorization and payment of all Medi-Cal covered psychiatric inpatient hospital services for beneficiaries in the county (three counties field tested slightly different models). Previously, county mental health departments had managed psychiatric inpatient hospital services only at county hospitals or hospitals under contract to the county. All other psychiatric inpatient hospital services had been managed by the Department of Health Services (DHS) through the regular Medi-Cal program. Between November 1997 and July 1998, county mental health departments, in their role as Medi-Cal MHPs, assumed responsibility for inpatient hospital and outpatient specialty mental health professional services in addition to their previous responsibility to provide psychiatric inpatient hospital services, rehabilitative mental health services and targeted case management. The specialty mental health services program continues to operate under a federal freedom of choice waiver originally approved in May 1995 and renewed in September 1997, November 2001, and April 2003.

Under the waiver program each MHP contracts with DMH to provide medically necessary specialty mental health services to the Medi-Cal beneficiaries of the county and is governed by federal and state regulations. MHPs select and credential their provider network, negotiate rates, authorize services and provide payment for services rendered by specialty mental health providers in accordance with statewide criteria. Medi-Cal beneficiaries must receive Medi-Cal reimbursed specialty mental health services through the MHPs.

MHP coverage of a specialty mental health service requires that several criteria be met. The beneficiary must meet the medical necessity criteria for specialty mental health services, which consist of covered diagnoses and functional impairment and intervention criteria. The services must be delivered by or under the direction of a mental health professional. The services must also be mental health services, for example, medication management of psychotropic medications, individual therapy, and psychological testing. A distinction is made between specialty mental health care (those services requiring the services of a specialist in mental health) and

general mental health care needs (those needs which could be met by a general health care practitioner, such as a primary care physician). General mental health care needs for Medi-Cal beneficiaries remain under the purview of DHS either through their Medi-Cal physical health care managed care plans or through the regular Medi-Cal program.

On November 2, 2004 California voters passed Proposition 63, the Mental Health Services Act (MHSA), a major milestone in the history of public mental health services in California. Projected revenue from the MHSA for FY 04-05 is approximately \$254,000,000, and projected revenue for FY 05-06 is \$683,000,000. Initially, a significant proportion will be expended on training and infrastructure development but this percentage will decline and more funding will then go directly to mental health services. Initial analyses by the DMH indicate this funding may be eligible for Medicaid Federal Financial Participation (FFP) to the extent the services and population served meet the federal criteria and are consistent with the approved state Medicaid Plan and the 1915(b) waiver that currently exist or may be created. The MHSA prohibits supplanting funding; the DMH will be determining what these funding limitations may be.

1) Contract Overview

The Contractor will assist the DMH with researching, developing, analyzing and making recommendations regarding the feasibility of applying for and maintaining a Home and Community Based Services (HCBS) Waiver program with the goal of maintaining the quality of and seeking innovations in the existing specialty mental health services program while reducing State General Fund (SGF) costs for community mental health services and the state hospital system. The contractor shall develop plans, complete applications and further analyze in writing (in a format approved by the DMH) proposals for the DMH. The DMH will identify a variety of projects and the time frame for completion of each project. Projects will require analysis of federal Medicaid requirements with regard to any suggestions the contractor makes for submitting applications for and maintenance of an HCBS waiver program. It is estimated that the contract term will begin September 1, 2005 and end June 30, 2007. The terms of the contract are contingent upon the availability of funds. Payment for completed services will be based on a flat hourly rate, plus expenses as specified in the RFP. The base of operation for these projects will be in the city of Sacramento, California.

2) Scope of Work

The contractor will:

Assist the DMH in analyzing fiscal policy and program issues related to applying for and maintaining an HCBS waiver program and reducing state costs for community mental health services and the state hospital system.

Assess the nature and extent of the fiscal issues/problems, assess the unique features of policy situations being analyzed and assess fiscal policies and/or programs that have worked effectively in other states.

Determine, develop and collect data needed to perform effective budget analyses, cost-benefit analyses, and economic analyses.

Draw conclusions from raw data and provide appropriate recommendations to DMH.

Consider fiscal policy options, alternate courses of action, and strategies of intervention to solve or address the issues being analyzed.

Consult with advisory stakeholder groups and professionals as agreed to by DMH to advise DMH on fiscal impacts.

Prepare detailed reports that include an executive summary, narrative, tables, conclusions, and recommendations.

Research and develop recommendations on how DMH can apply for and maintain an HCBS waiver program and reduce state costs for community mental health services while maintaining or exceeding the equivalent array of Medi-Cal specialty mental health services.

Provide written issue papers and research reports that include citation of information references. DMH will request issue papers and reports from the Contractor as needed by DMH. When the Contractor uses specific sources of information to support arguments, findings, or recommendations, those information sources must be cited in sufficient detail so that the DMH is able to access those sources if it chooses.

3) Work Authorization

DMH and the Contractor shall develop a priority list of the projects to be performed within specified timelines and the funds available. DMH in conjunction with the Contractor shall develop a work authorization specific to each project. Work authorizations will include background of the project, objectives to be met, task descriptions and deliverables, schedule, and estimated project budget. Specific project activities to be performed shall include, but not be limited to, the Scope of Work referenced above.

DMH reserves the right to use and reproduce all reports and data produced and delivered pursuant to this contract and reserves the right to authorize others to use or reproduce such materials, provided the author of the reports is acknowledged in any such use or reproduction.

DMH and the Contractor shall develop a general work authorization, project work authorizations, and task assignments based on the projects described in the RFP.

A general work authorization means a written instrument agreed to by the Contract Manager and the Contractor that (1) allows the Contractor to carry out preliminary work including reviewing, commenting on, scheduling and budgeting for proposed work authorizations prior to finalization and (2) allows DMH to authorize specific minor tasks that do not require a separate work authorization.

A project work authorization means a written instrument describing a project assignment within the contract with a specific objective, schedule, and budget that is agreed to in writing by the Contract Manager and the Contractor.

When expedience is of the utmost importance, the Contract Manager may verbally authorize the Contractor to begin work on a project, following up with a written authorization within three business days by email or mail.

Each work authorization shall contain:

1. A statement of the purpose, objective, or goal of the work authorization.
2. A schedule displaying the dates when specific tasks will be completed and a description of all significant material (deliverables) to be developed and delivered by the Contractor to the Contract Manager.
3. An identification of all materials to be furnished to the Contractor by the DMH.
4. A budget showing the maximum billable hours anticipated for completion of the work authorization consistent with the invoicing requirements on page 10.

DMH will provide the Contractor with Medi-Cal data as necessary in a format agreed to between the Contractor and DMH, and will provide access to departmental staff to assist in the development of data models to be analyzed by the Contractor.

DMH reserves the right to require the Contractor, upon one day written notice from the Contract Manager by email or mail, to stop or suspend work on any work authorization or task assignment. Contractor shall be paid for work that is satisfactorily completed prior to authorization termination.

The actual cost of a completed work authorization or task assignment shall not exceed the initial authorized amount unless in the performance of the work, the DMH and the Contractor determine that the actual cost will exceed the estimated cost. In the event that the Contractor determines excess cost first, the Contractor shall immediately notify the Contract Manager.

Upon such notification, the Contract Manager may:

1. Alter the scope of the work authorization or task assignment to accomplish the work within the initial authorized amount;

2. Authorize the Contractor to complete the task assignment for the actual costs;
or
3. Terminate the work authorization or task assignment.

4) Invoicing and Travel

Invoices shall be submitted for each project and must include the time period covered, certification of the hours worked by individual contractor staff, the hourly rates, per diem and travel expenses by individual with related documentation, a description of the work performed, the contract number and an original signature. Invoices shall be submitted to the Contract Manager at: Department of Mental Health, 1600 9th Street, Room 100, Sacramento, CA. 95814. The projects performed under this RFP shall not include information technology consulting services, the design and development of electronic data processing systems, or software design.

Contractor will attend planning meetings conducted by DMH, DHS, CMS, and other appropriate agencies and stakeholder groups as directed by DMH. Reimbursement for travel and per diem will not exceed amounts paid to the State's non-represented employees. Travel and per diem expenses must be pre-authorized, and will only include expenses to sites that are not located in the city of Sacramento, California.

B) Minimum Qualifications for Proposers

Each proposer shall meet the following minimum qualifications. If the proposer does not meet the minimum qualifications the proposal will be rejected without further review.

1) Minimum Qualifications

- a) At least four years of professional consulting experience within the last six years related to the funding and service delivery of federal Medicaid programs which included analyses of federal requirements regarding requesting and maintaining an HCBS or other federal waiver program;
- b) At least three years of professional experience with the California Medicaid Program (Medi-Cal), which included performing analyses and making recommendations regarding compliance with federal Medicaid regulations and how to implement and maintain an HCBS or other federal waiver program. These years of Medi-Cal experience may be concurrent with the experience requirement specified in paragraph 1(a) above;
- c) Knowledge of California's Medi-Cal mental health program and the public mental health system including, but not limited to, realignment funding, as

demonstrated by previous consulting work which included management or administrative experience; and,

d) Availability for face-to-face meetings in Sacramento, as determined by DMH.

IMPORTANT NOTE

If the proposer will be meeting any of the Minimum Qualifications through the use of subcontractors and/or independent contractors, the proposer shall identify the subcontractor(s) and independent contractor(s) by name in the proposal. In addition, the proposer must submit for each identified subcontractor/contractor a Letter of Agreement to work on this project. The Letter of Agreement shall be signed by an official representative of each subcontracted firm or independent contractor, indicating his or her acknowledgement of being named as a subcontractor or contractor, their availability to work on this project and acknowledgement that they have read or been made aware of the required Minimum Qualifications of this RFP, proposed contract terms, conditions and exhibits. Proposer shall include samples of prior work and References (as in C.4 and C.5 below) for each subcontractor or independent contractor to be utilized.

C) Proposal Requirements and Information

Contract Term: The term of the contract is September 1, 2005 to June 30, 2007. The term of the contract may change if DMH makes an award earlier than expected or if DMH cannot execute the contract in a timely manner due to unforeseen delays.

1) Key Action Dates

<u>Event</u>	<u>Date</u>
RFP available to prospective proposers	June 2, 2005
<u>Mandatory</u> Letter of Intent Deadline	June 15, 2005, 4:00 PM
Written Question Submittal Deadline	June 15, 2005, 4:00 PM
DMH Answers to Written Questions Available	June 22, 2005
Final Date for Proposal Submission	July 8, 2005, 4:00 PM
Notice of Intent to Award	July 18, 2005
Proposed Award Date	July 26, 2005
Proposed Contract Start Date	September 1, 2005

2) Mandatory Letter of Intent

- a) All prospective proposers who intend to compete for this RFP shall submit a signed, non-binding, Letter of Intent to DMH. Prospective proposers are not required to submit a proposal merely because a Letter of Intent is submitted.
- b) The Mandatory Letter of Intent shall be received by DMH no later than 4:00 p.m., June 15, 2005. The Letter of Intent shall include the name and physical address of the individual, agency or company intending to submit a proposal plus the phone number and e-mail address of the proposer's designated contact person. The proposer shall clearly indicate the document submitted is intended to serve as a Letter of Intent.
- c) **Letters of Intent not received by DMH by 4:00 p.m., June 15, 2005 shall result in ineligibility to compete in the RFP process.** The Letter of Intent shall be submitted through U.S. Mail, hand-delivered or by facsimile to:

Rita McCabe-Hax
Department of Mental Health
1600 - 9th Street, Room 100
Sacramento, CA 95814
Phone: (916) 654-5722
Fax: (916) 654-5591

Proposers transmitting a letter of intent by fax are responsible for confirming the receipt of the faxed letter of intent by the stated deadline. Call the phone number listed above to confirm faxed transmissions.

Proposer Caution- DMH internal processing of U.S. mail may add up to 24 hours to the delivery time. If a letter of intent is mailed, the proposer should consider using certified, registered or express mail. Request a return receipt confirming delivery date and time of delivery. If a letter of intent is hand-delivered, allow sufficient time to locate parking and allow for sign-in at the building security desk.

3) Cost Proposal, Budget, and Budget Narrative (Sample Cost Proposal Worksheet)

Provide a cost proposal, budget, and budget narrative (as Attachment 3) that cover the periods of the contract from September 1, 2005 through June 30, 2007.

The cost proposal, budget, and budget narrative is not to exceed the maximum amount of \$100,000 per State fiscal year. Any proposals exceeding this amount will be rejected.

The cost proposal, budget, and the budget narrative will take into consideration the Scope of Work in Section A. A detailed narrative for the following categories must accompany the budget:

- a) **Personnel Expenses:** List each position separately with its hourly rate or salary, and percentage of time on this project. Indicate the benefits, if any, for each position.
- b) **Operating Expenses:** List expenses for occupancy, supplies, general office operations, telephone, postage, furniture and equipment, computer equipment and related items, travel and other items.
- c) **Subcontract Expenses:** List the type and specify the cost for all subcontracted services including consultants or professional services that proposer intends to retain. Subcontractors include any persons/firms performing contract services that are not on the proposer's payroll.

Use the Sample Cost Proposal Worksheet (Attachment 3) as a guide in preparing your cost proposal.

4) **Samples of Prior Work**

Two samples of prior contractor work must be submitted for this RFP as Attachment 4. The proposer shall provide a comprehensive resume of prior Medicaid/Medi-Cal fiscal experience including a description of responsibilities and length of service at each job.

5) **References**

Submission of three letters of reference with names, addresses and phone numbers, and a listing of previous agencies and/or organizations for which the proposer has performed similar projects as required by this RFP are required to be submitted as Attachment 5. The letters of reference shall substantiate statements made by the proposer regarding qualifying experience. All statements made by the proposer and those writing reference letters are subject to verification as needed by DMH.

6) **Work Plan**

Components of Proposal and Format

The proposal must be in ink or typewritten. The Work Plan must be submitted as Attachment 6. To the extent possible, use font size of 12 point. Margins should be at least one-half inch. Paper size should be standard letter size 8 1/2 by 11 inches. No erasures are permitted. Errors may be crossed out and corrections printed in ink or typewritten adjacent to the error. The person signing the proposal must initial the corrections in ink.

a) Title Page:

Include a title page that provides the following information: The name of your business; the business's address and telephone numbers, fax numbers; the business's federal tax identification number; the name of the chief executive officer; the name of contact person; the contact person's phone number and e-mail address; and the date the proposal is submitted.

b) Executive Summary:

Describe in no more than 2 typewritten double-spaced pages the following:

- The highlights of your proposal;
- A brief description of your business;
- The objectives to be met; and
- Methods proposed to meet the objectives.

c) Contractor's Scope of Work:

Describe in no more than 8 typewritten double-spaced pages your business and your proposed operations as it relates to the HCBS Waiver Consultant. Neither the attachments nor the budget information count in this total. Use the guidelines listed under Section A, Scope of Work, for this section of your proposal.

d) Project Personnel

Proposer must identify the title and job description of all key personnel, including subcontractors. Please include the percentage of time each of the key staff, including subcontractors, will spend on this contract.

e) Facilities and Resources

Proposer must describe the facilities, equipment, teleconferencing or telecommunications capabilities, computer hardware and software, and any other resources that relate to the proposer's ability to successfully complete the Scope of Work.

7) Proposer Questions

Proposers should notify DMH immediately if they need clarification about the services being sought or have questions about the RFP instructions or requirements. Questions shall be put in writing and transmitted to DMH. At its discretion, DMH reserves the right to contact a proposer to seek clarification of any question received from a proposer. Proposers that fail to report a known or suspected problem with the RFP or fail to seek clarification and/or correction of the RFP submit a proposal at their own risk.

Written questions shall include the following:

1. Name of the organization submitting the question.
2. The name of a contact person along with a mailing address, telephone number and e-mail address.
3. A description of the subject or issue in question or discrepancy found.
4. RFP section, page number or other information useful in identifying the specific problem or issue in question.
5. The remedy sought, if applicable.

Proposers shall submit written questions about this RFP to DMH no later than 4 p.m., June 15, 2005, through U.S. mail, hand-delivered or by facsimile to:

Rita McCabe-Hax, Medi-Cal Policy and Support
Department of Mental Health
1600 - 9th Street, Room 100
Sacramento, CA 95814
Phone: (916) 654-5722
Fax: (916) 654-5591

Proposers transmitting a question by fax are responsible for confirming the receipt of the faxed questions by the stated deadline. Call the Medi-Cal Policy and Support Section at (916) 654-5722 to confirm faxed transmissions.

Proposer Caution- DMH internal processing of U.S. mail may add up to 24 hours to the delivery time. If questions are mailed, the proposer should consider using certified, registered or express mail. Request a return receipt confirming delivery date and time of delivery. If questions are hand-delivered, allow sufficient time to locate parking and allow for sign-in at the building security desk.

Verbal remarks provided in response to verbal questions are unofficial and are not binding on DMH unless later confirmed in writing. No inference shall be drawn from any question DMH does not respond to in writing.

Responses to proposer questions will be e-mailed by DMH to proposers who submitted a Mandatory Letter of Intent. Written responses from DMH will be e-mailed no later than June 22, 2005.

8) Submission of Proposal

- a) The proposal narrative should be presented in outline format for the purpose of this RFP.
- b) Proposals should provide straightforward and concise descriptions of the proposer's ability to satisfy the requirements of this RFP. The proposal must

be complete and accurate. Omissions, inaccuracies, or misstatements may be cause for rejection of a proposal.

- c) The proposal package should be prepared in the least expensive method. Costs incurred for developing proposals and in anticipation of award of the agreement are entirely the responsibility of the proposer and shall not be charged to the State of California.
- d) All proposals must be submitted under **sealed** cover and sent to DMH by the date and time shown in Section C, Proposal Requirements and Information, Item 1) Key Action Dates. Proposals received after this date and time will not be considered.
- e) A minimum of four (4) copies of the proposal must be submitted, in addition to one (1) ORIGINAL.
- f) The original proposal must be marked "ORIGINAL COPY". All documents contained in the original proposal package must have original signatures and must be signed by a person who is authorized to bind the proposing firm. All additional proposal sets may contain photocopies of the original package.
- g) The proposal envelopes must be plainly marked with the RFP number and title, your firm name and address, and must be marked with "DO NOT OPEN", as shown in the following example:

Department of Mental Health
RFP 05-75166-000
HCBS Waiver Consultant

DO NOT OPEN

If the proposal is made under a fictitious name or business title, the actual legal name of proposer must be provided. Proposals not submitted under sealed cover and marked as indicated may be rejected.

- h) All proposals shall include the documents identified in Section E, Required Attachments (see page 26). Proposals not including the proper "required attachments" shall be deemed non-responsive. A non-responsive proposal is one that does not meet the basic proposal requirements and will be rejected.
- i) Mail or deliver proposals to the following address:

Proposal RFP 05-75166-000
Department of Mental Health
Contracts Unit
1600 - 9th Street, Room 150
Sacramento, CA 95814

- j) Proposals must be submitted for the performance of all the services described herein. Any deviation from the work specifications will not be considered and will cause a proposal to be rejected.
- k) A proposal may be rejected if it is conditional or incomplete, or if it contains any alterations of form or other irregularities of any kind. The State may reject any or all proposals and may waive an immaterial deviation in a proposal. The State's waiver of an immaterial deviation shall in no way modify the RFP document or excuse the proposer from full compliance with all requirements if awarded the agreement.
- l) An individual who is authorized to bind the proposing firm contractually shall sign the Attachment 2, Proposal/Proposer Certification Sheet. The signature must indicate the title or position that the individual holds in the firm. An unsigned proposal may be rejected.
- m) A proposer may modify a proposal after its submission by withdrawing its original proposal and resubmitting a new proposal prior to the proposal submission deadline as set forth in the Key Action Dates. Proposal modifications offered in any other manner, oral or written, will not be considered.
- n) A proposer may withdraw its proposal before the proposal submission deadline by submitting a written withdrawal request to DMH. The withdrawal request must be signed by the proposer or an authorized agent in accordance with item l) above. A proposer may thereafter submit a new proposal prior to the proposal submission deadline. After the proposal submission deadline, proposals may not be withdrawn.
- o) The awarding agency may modify the RFP prior to the date fixed for submission of proposals by the issuance of an addendum to all parties who received a proposal package.
- p) The awarding agency reserves the right to reject all proposals. The agency is not required to award an agreement.
- q) Before submitting a response to this solicitation, proposers should review, correct all errors and confirm compliance with the RFP requirements.
- r) Where applicable, proposer should carefully examine work sites and specifications. No additions or increases to the agreement amount will be made due to a lack of careful examination of work sites and specifications.
- s) More than one proposal from an individual, firm, partnership, corporation or association under the same or different names, will not be considered.

- t) The State does not accept alternate contract language from a prospective contractor. A proposal with such language will be considered a counter proposal and will be rejected. The State's General Terms and Conditions (GTC) are not negotiable.
- u) No oral understanding or agreement shall be binding on either party.

9) Evaluation Process

- a) At the time of proposal opening, each proposal will be checked for the presence or absence of required information in conformance with the submission requirements of this RFP.
- b) Proposals that contain false or misleading statements, or which provide references which do not support an attribute or condition claimed by the proposer may be rejected.
- c) Award, if made, will be to the highest scored responsive proposal.
- d) Proposal Evaluation
The proposals that meet all submission requirements and the proposer minimum qualifications will be evaluated and scored according to the criteria indicated below. A minimum of 50 points must be achieved in this phase to be considered responsive. A responsive proposal is one that meets or exceeds the requirements stated in this RFP. (See table labeled, **Technical Proposal Scoring** on page 21 for the minimum number of points that must be achieved for each scoring criteria).

Proposals shall provide straightforward and concise descriptions of the proposer's ability to satisfy the requirements of this RFP. The proposal content and cost detail shall be complete and accurate.

A multiple stage evaluation process will be used to review and/or score proposals. DMH will reject any proposal that is found to be non-responsive at any stage of evaluation.

Stage 1- Required Attachment Checklist and Minimum Qualifications Review

- 1) Shortly after the proposal submission deadline, DMH will review all eligible proposals (i.e., those proposals that are received in the time and manner prescribed in the RFP) to determine which proposals meet the submission requirements specified in section C, number 8, of the RFP.
- 2) In addition, DMH shall evaluate the proposals to determine if the Proposer meets the Minimum Qualifications required in the RFP as referenced in section B.

- 3) Those proposals that appear to meet the format requirements and minimum qualifications requirements will pass the Stage 1 review and will be submitted to an Evaluation Panel for further consideration.

Those proposals that do not meet the format and minimum qualifications requirements will be deemed non-responsive and rejected from further consideration.

Stage 2- Technical Proposal Scoring

- 1) The Evaluation Panel will individually, and/or as a team review, evaluate and numerically score the Technical Proposal based on the proposal's adequacy, thoroughness, and the degree to which it complies with the RFP requirements.
- 2) In assigning points for individual evaluation components, evaluators may consider issues including, but not limited to, the extent to which a proposal response:
 - Is lacking information, lacking depth or breadth, or lacking significant facts and/or details, and/or;
 - Is fully developed, comprehensive and has few, if any, weaknesses, defects or deficiencies, and;
 - Demonstrates that the proposer understands DMH's needs, the services sought, and/or the contractor's responsibilities, and;
 - Illustrates the proposer's capability to perform all services and meet all scope of work requirements, and;
 - Contributes to the achievement of DMH's goals and objectives if implemented, and;
 - Demonstrates the proposer's capacity, capability, and/or commitment to exceed regular service needs (i.e., enhanced features, approaches, or methods, creative or innovative business solutions, etc.).
- 3) Below are the point values for each Technical Proposal component that will be scored:

A maximum of **70** possible points may be achieved in this stage. A minimum of **50** total points must be achieved in this stage for any proposal to be considered responsive. In addition, to be considered a responsive proposal, minimum points must be achieved for each Technical Proposal component as reflected in the chart below.

Technical Proposal Scoring

Technical Proposal Component	Point Value of Component	Minimum Point Value (must be achieved to pass Stage 2)
Federal Medicaid Knowledge and Experience	25	18
Medi-Cal Knowledge and Experience	10	7
California Public Mental Health Knowledge	5	3
Professional References	5	3
Samples of Prior Consulting Reports	10	7
Work Plan	15	12
Total Technical Proposal	70	50

The Evaluation Panel will use the following criteria to score each of the technical proposal components:

Medicaid Knowledge and Experience

Medicaid Knowledge and Experience	Points Possible	Points Earned
Four years of professional consulting experience within the last six years related to the funding and service delivery of federal Medicaid programs which included analyses of federal requirements regarding requesting and maintaining <i>an HCBS or other federal waiver program</i> . Experience of the proposer, project personnel, and subcontractor will be considered.	25	

Medi-Cal Knowledge and Experience

Medi-Cal Knowledge and Experience	Points Possible	Points Earned
At least three years of professional experience with the California Medicaid Program (Medi-Cal) which included performing analyses and making recommendations regarding compliance with federal Medicaid regulations and how to implement and maintain <i>an HCBS or other federal waiver program</i> . These years of Medi-Cal experience may be concurrent with the experience requirement specified above (Medicaid Knowledge and Experience).	10	

California Public Mental Health Knowledge

California Public Mental Health Knowledge	Points Possible	Points Earned
From the knowledge and work experience described, to what extent has the proposer shown his or her ability to work effectively and knowledgeably in the California public mental health system, particularly in the areas of county mental health departments or Medi-Cal mental health managed care plans (MHPs)? Knowledge of California's public mental health system, including but not limited to county realignment funding, as demonstrated by previous management or administrative experience.	5	

Professional References

Professional References	Points Possible	Points Earned
<p>To what extent are the proposer's Professional References:</p> <ul style="list-style-type: none"> • Favorable to the proposer; • Originate from persons who can speak to the quality of the proposer's work in the last five years; • Submitted in the required number (3) • Include names, addresses and phone numbers and address the most recent three years of experience 	5	

Samples of Prior Consulting Reports

Samples of Prior Consulting Reports	Points Possible	Points Earned
Two samples of prior consultant work must be submitted for this RFP. The proposer shall provide a comprehensive resume of prior Medicaid/Medi-Cal fiscal experience including a description of responsibilities. The proposer's knowledge and experience in budget analysis, cost benefit analysis, economic analysis, and other related services as described in the RFP. This would include assessing the nature and extent of the fiscal issues/problems, assessing the particular features of the policy situation being analyzed and assessing the fiscal policies and/or programs thought to have worked effectively similar to that being analyzed. It would also include determining, developing, and collecting data needed to perform effective budget analysis, cost benefit analysis and economic analysis.	10	

Work Plan

Work Plan	Points Possible	Points Earned
To what extent does the proposer's explanation of its overall approaches or methods for accomplishing the Scope of Work seem logical, reasonable and focused on issues related to how to implement and maintain <i>an HCBS or other federal waiver program</i> ? Proposer's plan demonstrates how proposer intends to: Define and quantify the problem statement on projects specified by DMH; analyze and make proposals regarding federal requirements, HCBS waiver programs, and other fiscal related services on a program and/or department basis; develop cost effectiveness documentation and financial reports for DMH; assist DMH in analyzing fiscal issues related to reducing state costs for community mental health services and the state hospital system, and evaluate options such as establishing counties as sole legal entities, or implementing quality assurance fees; gather, extract and analyze the necessary data to perform cost-benefit analysis, and other economic analysis as required in the RFP; develop and provide detailed written reports that summarize all activity associated with each project; write detailed reports to the Legislature, when appropriate, that include an executive summary, narrative, tables, recommendations, and conclusions.	15	

Stage 3- Evaluation of Cost Proposal

- 1) After the Technical Proposal scoring is complete, responsive proposals will be evaluated on the basis of cost. A maximum of 30 points may be awarded for the cost proposal.
- 2) The proposal offering the lowest total cost earns the maximum of 30 points. The remaining proposals earn cost proposal points through a cost conversion formula shown below. Final calculations shall result in numbers rounded to two decimal places.

$$\text{Lowest Cost Proposal} \div \text{Another Cost Proposal} \times 30 = \text{Cost Points Earned}$$

- 3) Example for Illustration Purposes:

Lowest cost earns 30 points.

$$\begin{aligned} &\$80,000 \text{ (lowest cost proposal)} \div \$100,000 \text{ (another cost proposal)} = .80 \\ &.80 \times 30 \text{ points} = 24 \text{ points (total cost proposal points of another proposer)} \end{aligned}$$

Stage 4- Combining Technical Proposal and Cost Proposal Scores

DMH will combine the technical proposal points with the cost proposal points earned and will tentatively identify the entity with the highest combined proposal score from each of the earlier evaluation stages.

Stage 5- Adjustments to Score Calculations for Bidding Preferences

- 1) DMH will determine and confirm which entities, if any, are eligible to receive a bidding preference (i.e., small business).
- 2) To confirm the identity of the highest scored responsible proposer, DMH will calculate the preference points for applicable claimed preference(s) and will readjust the total score of those proposers eligible for bidding preferences. DMH will apply preference adjustments to eligible proposers according to State regulations following verification of eligibility with the appropriate office of the Department of General Services. More information about the allowable bidding preferences appears in RFP Section D, "Preference Programs."

An award, if made, will be made to the highest scoring proposal.

TOTAL 100 POINTS

The final selection will be based on the highest score that also meets the minimum score requirement. If two or more proposers have the same score,

the tie will be broken and the proposer will be selected by determining which proposer demonstrates the highest number of years experience providing fiscal consultation in a Medicaid mental health managed care environment.

Prior to actual award of the contract, a Notice of Intent to Award will be posted in Room 101 of the Department of Mental Health, 1600 - 9th Street, Sacramento, CA and on the DMH's website at, www.dmh.ca.gov for a period of five (5) business days. All proposals and all evaluation and scoring sheets shall be available for public inspection following the posting of the Notice of Intent to Award.

10)Award and Protest

- a) If any proposer, prior to the award of agreement, files a protest with the Department of Mental Health and the Department of General Services, Office of Legal Services, 707 Third Street, 7th Floor, Suite 7-330, West Sacramento, CA 95605, on the grounds that the (protesting) proposer would have been awarded the contract had the agency correctly applied the evaluation standard in the RFP, or if the agency followed the evaluation and scoring methods in the RFP, the agreement shall not be awarded until either the protest has been withdrawn or the Department of General Services has decided the matter. It is suggested that any protest be submitted by certified or registered mail.
- b) Within five (5) days after filing the initial protest, the protesting proposer shall file with the Department of General Services, Office of Legal Services, and the Department of Mental Health a detailed statement specifying the grounds for the protest.
- c) Upon resolution of the protest and award of the agreement, Contractor must complete and submit to the awarding agency the Payee Data Record (STD 204), to determine if the Contractor is subject to state income tax withholding pursuant to California Revenue and Taxation Code Sections 18662 and 26131. This form can be found on the Internet at www.osp.dgs.ca.gov under the heading FORMS MANAGEMENT CENTER. No payment shall be made unless a completed STD 204 has been returned to the awarding agency.
- d) Upon resolution of the protest and award of the agreement, Contractor must sign and submit to the awarding agency, *page one (1)* of the Contractor Certification Clauses (CCC), which can be found on the Internet at www.dgs.ca.gov/contracts.
- e) Protests shall be limited to the following grounds:
 - DMH failed to follow the procedures specified in subdivision (c) of the PCC, Section 10344.

- DMH failed to apply the standards for reviewing the format requirements or evaluating the proposals correctly as specified in the RFP.
- DMH used the evaluation and selection procedure in subdivision (c) of the PCC, Section 10344, but is proposing to award the contract to a proposer other than the highest responsive proposer score.
- DMH used the evaluation and selection procedure in subdivision (c) of the PCC Section 10344, but failed to follow the methods for evaluating and scoring the proposals specified in the RFP.

11)Disposition of Proposals

Upon proposal opening, all documents submitted in response to this RFP will become the property of the State of California, and will be regarded as public records under the California Public Records Act (Government Code Section 6250 et seq.) and subject to review by the public. It is the policy of DMH's Contract Unit to retain contract documents for a minimum of three years from the termination date of the contract, or three years after the final payment is made to the Contractor under the terms of the contract, whichever is longer.

12)Agreement Execution and Performance

- a) Performance shall start not later than 30 days, or on the express date set by the awarding agency and the Contractor, after all approvals have been obtained and the agreement is fully executed. Should the Contractor fail to commence work at the agreed upon time, the awarding agency, upon five (5) days written notice to the Contractor, reserves the right to terminate the agreement. In addition, the Contractor shall be liable to the State for the difference between Contractor's Proposal price and the actual cost of performing work by another contractor.
- b) All performance under the agreement shall be completed on or before the termination date of the agreement.

D) Preference Programs

Small Business Preference applies to this RFP. Please see www.pd.dgs.ca.gov.

This website provides information and procedures for proposers who wish to apply for the Small Business Preference Program. Please note that although participation in this preference program is optional, **all** proposers must complete and submit Attachment 7, "Small Business Identification Questionnaire."

Proposers that are certified as a small business in California are encouraged to apply for this RFP.

E) Required Attachments (to be returned by bidder)

See ATTACHMENT 1

ATTACHMENT 1 - REQUIRED ATTACHMENT CHECK LIST

A complete proposal or proposal package will consist of the items identified below. Complete this checklist to confirm the items in your proposal. Place a check mark or "X" next to each item that you are submitting to the State. For your proposal to be responsive, all required attachments must be returned. This checklist should be returned with your proposal package.

<u>Attachment</u>	<u>Attachment Name/Description</u>
_____ Attachment 1	Required Attachment Check List
_____ Attachment 2	Proposal/Proposer Certification Sheet
_____ Attachment 3	Cost Proposal, Budget, and Budget Narrative (Sample Cost Proposal Worksheet)
_____ Attachment 4	Samples of Prior Work
_____ Attachment 5	Proposer's References
_____ Attachment 6	Work Plan Requirements (from Proposer) <ul style="list-style-type: none">• Title Page• Executive Summary• Contractor's Scope of Work• Project Personnel (must include a resume for each proposed staff assigned to contract)• Facilities and Resources
_____ Attachment 7	Small Business Identification Questionnaire
_____ Attachment 8	Payee Data Record (Std. 204)
_____ Attachment 9	Contractor Certification Clauses (CCC-304). The CCC can be found on the Internet at www.ols.dgs.ca.gov/Standard+Language .

ATTACHMENT 2 - PROPOSAL/PROPOSER CERTIFICATION SHEET

This Proposal/Proposer Certification Sheet must be signed and returned along with all the "required attachments" as an entire package with original signatures. The proposal must be transmitted in a sealed box/envelope in accordance with RFP instructions.

- A. Place all required attachments behind this certification sheet.
- B. The signature affixed hereon and dated certifies compliance with all the requirements of this proposal document. The signature below authorizes the verification of this certification.

An Unsigned Proposal/Proposer Certification Sheet May Be Cause For Rejection

1. Company Name	2. Telephone Number ()	2a. Fax Number ()
3. Address		
Indicate your organization type:		
4. <input type="checkbox"/> Sole Proprietorship	5. <input type="checkbox"/> Partnership	6. <input type="checkbox"/> Corporation
Indicate the applicable employee and/or corporation number:		
7. Federal Employee ID No. (FEIN)	8. California Corporation No.	
9. Indicate applicable license and/or certification information:		
10. Proposer's Name (Print)		11. Title
12. Signature		13. Date
14. Are you certified with the Department of General Services, Office of Small Business Certification and Resources (OSBCR) as:		
a. California Small Business Yes <input type="checkbox"/> No <input type="checkbox"/> If yes, enter certification number: _____		
b. Disabled Veteran Business Enterprise Yes <input type="checkbox"/> No <input type="checkbox"/> If yes, enter your service code below: _____		
NOTE: A copy of your Certification is required to be included if either of the above items is checked "Yes". Date application was submitted to OSBCR, if an application is pending:		

Completion Instructions for Proposal/Proposer Certification Sheet

Complete the numbered items on the
Proposal/Proposer Certification Sheet by following the instructions below.

Item Numbers	Instructions
1, 2, 2a, 3	Must be completed. These items are self-explanatory.
4	Check if your firm is a sole proprietorship. A sole proprietorship is a form of business in which one person owns all the assets of the business in contrast to a partnership and corporation. The sole proprietor is solely liable for all the debts of the business.
5	Check if your firm is a partnership. A partnership is a voluntary agreement between two or more competent persons to place their money, effects, labor, and skill, or some or all of them in lawful commerce or business, with the understanding that there shall be a proportional sharing of the profits and losses between them. An association of two or more persons to carry on, as co-owners, a business for profit.
6	Check if your firm is a corporation. A corporation is an artificial person or legal entity created by or under the authority of the laws of a state or nation, composed, in some rare instances, of a single person and his successors, being the incumbents of a particular office, but ordinarily consisting of an association of numerous individuals.
7	Enter your federal employee tax identification number.
8	Enter your corporation number assigned by the California Secretary of State's Office. This information is used for checking if a corporation is in good standing and qualified to conduct business in California.
9	Complete, if applicable, by indicating the type of license and/or certification that your firm possesses and that is required for the type of services being procured.
10, 11, 12, 13	Must be completed. These items are self-explanatory.
14	If certified as a California Small Business, place a check in the "yes" box, and enter your certification number on the line. If certified as a Disabled Veterans Business Enterprise, place a check in the "Yes" box and enter your service code on the line. If you are not certified to one or both, place a check in the "No" box. If your certification is pending, enter the date your application was submitted to OSBCR.

ATTACHMENT 3 – COST PROPOSAL, BUDGET, AND BUDGET NARRATIVE
Sample Cost Proposal Worksheet

Develop one detailed budget and budget narrative for each year of the contract, in accordance with the budget guidelines set forth in Section C.3, "Cost Proposal, Budget, and Budget Narrative," on page 13 of the RFP.

DIRECT LABOR	HOURS	RATE	TOTAL
Principal Consultant (Job Description)	_____	@ _____	_____
Clerical (Job Description)	_____	@ _____	_____
			\$ _____
SUBCONTRACTOR(S) COST ITEMIZED			\$ _____
INDIRECT COSTS (OVERHEAD AND FRINGE BENEFITS)			
Overhead Rate	_____	_____	
Fringe Benefits	_____	_____	
			\$ _____
DIRECT COSTS (EXCEPT LABOR)			
Travel Costs			_____
Other Direct Costs (Itemized)			_____
			\$ _____
TOTAL COSTS			\$ _____

ATTACHMENT 4 – SAMPLES OF PRIOR WORK (from Proposer)

ATTACHMENT 5 - PROPOSER REFERENCES

Submission of this attachment is mandatory. Failure to complete and return this attachment with your proposal will cause your proposal to be rejected and deemed nonresponsive.

List below three references for services performed within the last five years, which are similar to the scope of work to be performed in this contract. If three references cannot be provided, please explain why on an attached sheet of paper.

REFERENCE 1

Name of Firm			
Street Address	City	State	Zip Code
Contact Person		Telephone Number	
Dates of Service		Value or Cost of Service	
Brief Description of Service Provided			

REFERENCE 2

Name of Firm			
Street Address	City	State	Zip Code
Contact Person		Telephone Number	
Dates of Service		Value or Cost of Service	
Brief Description of Service Provided			

REFERENCE 3

Name of Firm			
Street Address	City	State	Zip Code
Contact Person		Telephone Number	
Dates of Service		Value or Cost of Service	
Brief Description of Service Provided			

ATTACHMENT 6 – WORK PLAN REQUIREMENTS (from Proposer)

ATTACHMENT 7 – SMALL BUSINESS IDENTIFICATION QUESTIONNAIRE

NOTICE TO ALL BIDDERS

Small Business Preference

Section 14835, ET. Seq. Of the California Government Code requires that a five percent (5%) preference be given to bidders who qualify as a small business. The rules and regulations of this law, including the definition of a small business for the delivery of services, are contained in Title 2, California Administrative Code, Section 1896, et. seq. A copy of the regulations is available on request. To claim the Small Business Preference, which may not exceed \$50,000 for any bid, your firm must have its principal place of business located in California and be verified by the State Office of Small Business Certification and Resources. Questions regarding the preference approval should be directed to that office at (916) 322-5060 or (916) 323-5478.

Please complete this form and return with your Bid.

Are you claiming preference as a small business?

() YES () NO

Are you subcontracting not less than 25% of the total contract to a small business?

() YES () NO

Primary contractor or sub-contractor Small Business Number _____

Name of CONTRACTOR/Organization

Street Address, City, State, Zip Code

Today's Date

ATTACHMENT 8 - PAYEE DATA RECORD (form STD 204)

A copy of this form can be found on the Internet at <http://www.documents.dgs.ca.gov/osp/pdf/std204.pdf>.
If you do not have access to the Internet, you may request a copy of this form from Dustin Studebaker,
DMH Medi-Cal Policy and Support Section, (916) 654-5722.

ATTACHMENT 9 – CONTRACTOR CERTIFICATION CLAUSES (CCC-304-A)

CERTIFICATION

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective Contractor to the clause(s) listed below. This certification is made under the laws of the State of California.

<i>Contractor/Bidder Firm Name (Printed)</i>		<i>Federal ID Number</i>
<i>By (Authorized Signature)</i>		
<i>Printed Name and Title of Person Signing</i>		
<i>Date Executed</i>	<i>Executed in the County of</i>	

CONTRACTOR CERTIFICATION CLAUSES

1. **STATEMENT OF COMPLIANCE:** Contractor has, unless exempted, complied with the nondiscrimination program requirements. (GC 12990 (a-f) and CCR, Title 2, Section 8103) (Not applicable to public entities.)

2. **DRUG-FREE WORKPLACE REQUIREMENTS:** Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

- a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.
- b. Establish a Drug-Free Awareness Program to inform employees about:
 - 1) the dangers of drug abuse in the workplace;
 - 2) the person's or organization's policy of maintaining a drug-free workplace;
 - 3) any available counseling, rehabilitation and employee assistance programs; and,
 - 4) penalties that may be imposed upon employees for drug abuse violations.
- c. Every employee who works on the proposed Agreement will:
 - 1) receive a copy of the company's drug-free workplace policy statement; and,
 - 2) agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and Contractor may be ineligible for award of any future State agreements if the department determines that any of the following has occurred: the Contractor has made false certification, or violated the certification by failing to carry out the requirements as noted above. (GC 8350 et seq.)

3. **NATIONAL LABOR RELATIONS BOARD CERTIFICATION:** Contractor certifies that no more than one (1) final unappealable finding of contempt of court by a Federal court has been issued against Contractor within the immediately preceding two-year period because of Contractor's failure to comply with an order of a Federal

court, which orders Contractor to comply with an order of the National Labor Relations Board. (PCC 10296) (Not applicable to public entities.)

4. UNION ORGANIZING: Contractor hereby certifies that no request for reimbursement, or payment under this agreement, will seek reimbursement for costs incurred to assist, promote, or deter union organizing.

5. CONTRACTS FOR LEGAL SERVICES \$50,000 OR MORE- PRO BONO REQUIREMENT: Contractor hereby certifies that contractor will comply with the requirements of Section 6072 of the Business and Professions Code, effective January 1, 2003.

Contractor agrees to make a good faith effort to provide a minimum number of hours of pro bono legal services during each year of the contract equal to the lessor of 30 multiplied by the number of full time attorneys in the firm's offices in the State, with the number of hours prorated on an actual day basis for any contract period of less than a full year or 10% of its contract with the State.

Failure to make a good faith effort may be cause for non-renewal of a state contract for legal services, and may be taken into account when determining the award of future contracts with the State for legal services.

6. EXPATRIATE CORPORATIONS: Contractor hereby declares that it is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of Public Contract Code Section 10286 and 10286.1, and is eligible to contract with the State of California.

7. SWEATFREE CODE OF CONDUCT:

a. All Contractors contracting for the procurement or laundering of apparel, garments or corresponding accessories, or the procurement of equipment, materials, or supplies, other than procurement related to a public works contract, declare under penalty of perjury that no apparel, garments or corresponding accessories, equipment, materials, or supplies furnished to the state pursuant to the contract have been laundered or produced in whole or in part by sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor, or with the benefit of sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor. The contractor further declares under penalty of perjury that they adhere to the Sweatfree Code of Conduct as set forth on the California Department of Industrial Relations website located at www.dir.ca.gov, and Public Contract Code Section 6108.

b. The contractor agrees to cooperate fully in providing reasonable access to the contractor's records, documents, agents or employees, or premises if reasonably required by authorized officials of the contracting agency, the Department of Industrial Relations, or the Department of Justice to determine the contractor's compliance with the requirements under paragraph (a).

8. DOMESTIC PARTNERS: Commencing on July 1, 2004 Contractor certifies that it is in compliance with Public Contract Code section 10295.3 with regard to benefits for domestic partners. For any contracts executed or amended, bid packages advertised or made available, or sealed bids received on or after July 1 2004 and prior to January 1, 2007, a contractor may require an employee to pay the costs of providing additional benefits that are offered to comply with PCC 10295.3.

DOING BUSINESS WITH THE STATE OF CALIFORNIA

The following laws apply to persons or entities doing business with the State of California.

1. CONFLICT OF INTEREST: Contractor needs to be aware of the following provisions regarding current or former state employees. If Contractor has any questions on the status of any person rendering services or involved with the Agreement, the awarding agency must be contacted immediately for clarification.

Current State Employees (PCC 10410):

- 1). No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.
- 2). No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

Former State Employees (PCC 10411):

- 1). For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency.
- 2). For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving state service.

If Contractor violates any provisions of above paragraphs, such action by Contractor shall render this Agreement void. (PCC 10420)

Members of boards and commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem. (PCC 10430 (e))

2. LABOR CODE/WORKERS' COMPENSATION: Contractor needs to be aware of the provisions which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions, and Contractor affirms to comply with such provisions before commencing the performance of the work of this Agreement. (Labor Code Section 3700)

3. AMERICANS WITH DISABILITIES ACT: Contractor assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 et seq.)

4. CONTRACTOR NAME CHANGE: An amendment is required to change the Contractor's name as listed on this Agreement. Upon receipt of legal documentation of the name change the State will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.

5. CORPORATE QUALIFICATIONS TO DO BUSINESS IN CALIFORNIA:

a. When agreements are to be performed in the state by corporations, the contracting agencies will be verifying that the contractor is currently qualified to do business in California in order to R&TC Section 23101 as actively

engaging in any transaction for the purpose of financial or pecuniary gain or profit. Although there are some statutory ensure that all obligations due to the state are fulfilled.

b. "Doing business" is defined in exceptions to taxation; rarely will a corporate contractor performing within the state not be subject to the franchise tax.

c. Both domestic and foreign corporations (those incorporated outside of California) must be in good standing in order to be qualified to do business in California. Agencies will determine whether a corporation is in good standing by calling the Office of the Secretary of State.

6. RESOLUTION: A county, city, district, or other local public body must provide the State with a copy of a resolution, order, motion, or ordinance of the local governing body which by law has authority to enter into an agreement, authorizing execution of the agreement.

7. AIR OR WATER POLLUTION VIOLATION: Under the State laws, the Contractor shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

8. PAYEE DATA RECORD FORM STD. 204: All contractors that are not another state agency or other governmental entity must complete this form.

F) ADDITIONAL ATTACHMENT: Sample Standard Agreement (STD 213)

These documents are not required to be returned with the proposal package, but will be required upon award of the contract

STATE OF CALIFORNIA

STANDARD AGREEMENT

STD 213 (Rev 06/03)

AGREEMENT NUMBER

REGISTRATION NUMBER

1. This Agreement is entered into between the State Agency and the Contractor named below:

STATE AGENCY'S NAME

CONTRACTOR'S NAME

2. The term of this Agreement is: _____ through _____

3. The maximum amount of this Agreement is: \$ _____

4. The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement.

Exhibit A – Scope of Work _____ page(s)

Exhibit B – Budget Detail and Payment Provisions _____ page(s)

Exhibit C* – General Terms and Conditions

Check mark one item below as Exhibit D:

☐
☐

Exhibit - D Special Terms and Conditions (Attached hereto as part of this agreement)

_____ page(s)

Exhibit - D* Special Terms and Conditions

Exhibit E – Additional Provisions

_____ page(s)

Items shown with an Asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR

CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc.)

BY (Authorized Signature)

DATE SIGNED(Do not type)



PRINTED NAME AND TITLE OF PERSON SIGNING

ADDRESS

STATE OF CALIFORNIA

AGENCY NAME

BY (Authorized Signature)

DATE SIGNED(Do not type)



PRINTED NAME AND TITLE OF PERSON SIGNING

ADDRESS

**California Department of General
Services Use Only**

☐ Exempt per:

EXHIBIT A

SCOPE OF WORK

(PROGRAM NARRATIVE GOES HERE)

The project representatives during the term of this agreement will be:

State Agency:	Department of Mental Health
Name:	
Title:	Contract Manager
Phone:	
Fax:	
Email:	

Contractor:	
Name:	
Title:	
Phone:	
Email:	

SAMPLE

EXHIBIT B

BUDGET DETAIL AND PAYMENT PROVISIONS

1. Invoicing and Payment

- A. For services satisfactorily rendered, and upon receipt and approval of the invoices, the State agrees to compensate the Contractor for actual expenditures incurred in accordance with the rates specified herein, which is attached hereto and made a part of this Agreement.
- B. Invoice(s) shall include the DMH Agreement Number, date of services performed and cost by major cost categories of salaries, wages, fringe benefits, supplies and expenses, participant support costs, travel, and indirect costs. Invoice(s) shall be signed by an authorized representative and submitted in triplicate not more frequently than monthly in arrears to:

Department of Mental Health
Attn: DMH CONTRACT MANAGER
1600 9th Street
Sacramento, CA 95814

NOTE: All payments are made in arrears.

2. Budget Contingency Clause

- A. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall no longer be in full force and effect. In this event, the State shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.
- B. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an agreement amendment to Contractor to reflect the reduced amount.

3. Budget

Charges/rates shall be computed in accordance with the following budget on page 2 of Exhibit B. The cost of each major budget category may vary up to 15% within each Fiscal Year (FY) without DMH approval so long as the total amount budgeted for the FY is not exceeded.

4. Prompt Payment Clause

Payment will be made in accordance with, and within the time specified in, Government Code Chapter 4.5, commencing with Section 927.

EXHIBIT C

GENERAL TERMS AND CONDITIONS

PLEASE NOTE: This page will not be included with the final contract. The General Terms and Conditions will be included in the contract by reference to Internet site: www.dgs.ca.gov/contracts - GFC 103 Dated 01/01/2003.

SAMPLE

EXHIBIT D

SPECIAL TERMS AND CONDITIONS

- A. **LAW GOVERNING.** It is understood and agreed that this Contract shall be governed by the laws of the State of California both as to interpretation and performance.
- B. **CONTRACT MANAGER.** State may change the State Contract Manager by written notice given to the Contractor at any time.
- C. **SUBCONTRACTS.** Except for subcontracts identified in the proposal in accordance with the Request for Proposal or Invitation for bid, Contractor shall submit any subcontracts which are proposed to be entered into in connection with this Contract to the State for its prior written approval before entering into the same. No work shall be subcontracted without the prior written approval of the State. Upon the termination of any subcontract, State shall be notified immediately. Any subcontract shall include all the terms and conditions of this Contract and its attachments, in addition to any other relevant terms and conditions.
- D. **PUBLICATIONS AND REPORTS.** Unless otherwise provided for in the Contract, Contractor shall:
1. Incorporate any comments or revisions required by the State into any publication or report and shall not publish any material until it receives final State approval.
 2. Furnish two copies of each publication and report required plus one reproducible original.
 3. Illustrations, maps and graphs in summaries and publications and reports shall be developed in a manner which allows the complete illustration to be contained on a single 8-1/2 by 11 page unless specific written approval is given to the contrary.
 4. Graphs, illustrations and printed materials shall be printed in a single color throughout each publication unless prior State approval is granted.
 5. Contractor's name shall appear only on the cover and title page of publications and reports and summaries. Covers and title pages will read as follows:

DEPARTMENT OF MENTAL HEALTH	
TITLE	
By (Contractor)	
 6. The State reserves the right to use and reproduce all publications and reports and data produced and delivered pursuant to this Contract, and reserves the right to use and reproduce such materials.
 7. If the publication and/or report is prepared by nonemployees of the Department, it shall contain the numbers and dollar amounts of all contracts and subcontracts relating to the preparation of the report in a separate section of the report (Government Code Section 7550).
- E. **PROGRESS REPORTS.** Except as otherwise specified by the State, Contractor shall provide a progress report in writing, or orally if approved by the State Contract Manager, at least once a month to Contract Manager. This progress report shall include, but not be limited to, a statement that the Contractor is or is not on schedule, any pertinent reports, or interim findings. Contractor shall cooperate with and be available to meet with State representatives to discuss any difficulties, or special problems, so that solutions or remedies can be developed as soon as possible.
- F. **PRESENTATION.** Upon request, Contractor shall meet with the State to present any findings, conclusions, and recommendations required by the Contract for approval. If set forth in the Contract, Contractor shall submit a comprehensive final report for approval. Both the final meeting and the final report must be completed on or before the date indicated in the Contract.

- G. **REPORT AND INVOICE DELIVERY.** All reports, or other communications except invoices, are to be delivered to the Contract Manager, Department of Mental Health, 1600 9th Street, Sacramento, California, 95814, or other location designated by the Contract Manager. Invoices for services rendered are to be submitted in arrears in triplicate, stating contract number to the Department of Mental Health, Accounting Office, 1600 - 9th Street, Room 150, Sacramento, California, 95814.
- H. **REQUIRED PAYMENT DATE.** Unless otherwise specified, payment will be made in accordance with Government Code, Section 927 et. sec., as applicable. Payment shall not be due until the later of: (a) The date of acceptance of goods or performance of services; or (b) receipt of an accurate invoice.
- I. **PROGRESS PAYMENTS.** For contracts that allow partial payments to be made, partial payments of the contract price during the progress of the work shall have a minimum 10% of the gross payment withheld pending satisfactory final completion of the entire Contract.
- J. **FISCAL RECORDS.** Contractor shall furnish detailed itemization of and retain all records relating to direct expenses reimbursed and to hours of employment in performance of this Contract by any employee of Contractor for which the State is billed. In addition, Contractor shall establish accounting procedures subject to State approval--or the State shall approve existing procedures--and the Contractor shall maintain for at least three years books, papers, records, documents, and other evidence sufficient to determine the costs and hours spent fulfilling the terms of this Contract and related incidental tasks. Contractor shall allow State representatives to review any of these materials.
- K. **DEPARTMENT OF MENTAL HEALTH STAFF.** Department of Mental Health staff will be permitted to work side by side with Contractor's staff to the extent and under conditions that may be directed by the Contract Manager. In this connection, Department of Mental Health staff will be given access to all data, working papers, etc., which Contractor may seek to utilize.
- L. **CONFIDENTIALITY OF DATA AND DOCUMENTS.**
1. Contractor will not disclose data or documents or disseminate the contents of the final or any preliminary report without express permission of the Contract Manager.
 2. Permission to disclose information or documents on one occasion or at public hearings held by the Department of Mental Health relating to the same shall not authorize Contractor to further disclose such information or documents on any other occasion.
 3. Contractor will not comment publicly to the press or any other media regarding the data or documents generated, collected, or produced in connection with this contract, or the Department of Mental Health's actions on the same, except to the Department of Mental Health staff, Contractor's own personnel involved in the performance of this Contract, at a public hearing, or in response to questions from a legislative committee.
 4. If requested by State, Contractor shall require each of its employees or officers who will be involved in the performance of this Contract to agree to the above terms in a form to be approved by State and shall supply State with evidence thereof.
 5. Each subcontract shall contain the foregoing provisions related to the confidentiality of data and nondisclosure of the same.
 6. After any data or documents submitted has become a part of the public records of the State, Contractor may, if it wishes to do so, at its own expense and upon approval by the Contract Manager, publish or utilize the same but shall include the following legend:

LEGAL NOTICE

This report was prepared as an account of work sponsored by the Department of Mental Health, but does not necessarily represent the views of the Department or any of its employees except to the extent, if any, that it has formally been approved by the Department. For information regarding any such action, communicate directly with the Department at P.O. Box 952050, Sacramento, California, 94252-2050. Neither said Department nor the State of California, nor any officer or employee thereof, or any of its contractors or subcontractors makes any warranty, express or implied, or assumes any legal liability whatsoever for the contents of this document. Nor does any party represent that use of the data contained herein would not infringe upon privately owned rights without obtaining permission or authorization from any party who has any rights in connection with the data.

M. PROVISIONS RELATING TO DATA.

1. "Data" as used in this Contract means recorded information, regardless of form or characteristics, of a scientific or technical nature. It may, for example, document research, experimental, developmental or engineering work; or be usable or be used to define a design or process; or support a premise or conclusion asserted in any deliverable document called for by this Contract. The data may be graphic or pictorial delineations in media, such as drawings or photographs, charts, tables, mathematical modes, collections or extrapolations of data or information, etc. It may be in machine form, as punched cards, magnetic tape, computer printouts, or may be retained in computer memory.
2. "Proprietary data" is such data as the Contractor has identified in a satisfactory manner as being under Contractor's control prior to commencement of performance of this Contract and which has been reasonably demonstrated as being of a proprietary force and effect at the time this Contract is commenced.
3. "Generated data" is that data that a Contractor has collected, collated, recorded, deduced, read out, or postulated for utilization in the performance of this Contract. Any electronic data processing program, model or software system developed or substantially modified by the Contractor in the performance of this Contract at State expense, together with complete documentation thereof, shall be treated in the same manner as generated data.
4. "Deliverable data" is that data which under terms of this Contract is required to be delivered to the State. Such data shall be property of the State.
5. "Generated data" shall be the property of the State unless and only to the extent that it is specifically provided otherwise herein.
6. The title to Contractor's proprietary data shall remain in the Contractor's possession throughout the term of this Contract and thereafter. As to generated data which is reserved to the Contractor by express terms of this Contract and as to any preexisting or proprietary data which has been utilized to support any premise, postulate or conclusion referred to or expressed in any deliverable hereunder, Contractor shall preserve the same in a form which may be introduced in evidence in a court of competent jurisdiction at Contractor's own expense for a period of not less than three years after receipt by the State of the final report or termination of this Contract and any and all amendments hereto, or for three years after the conclusion or resolution of any and all audits or litigation relevant to this Contract, whichever is later.
7. Prior to the expiration of such time and before changing the form of or destroying any such data, Contractor shall notify State of any such contemplated action; and State may within 30 days after said notification determine whether it desires said data to be further preserved and, if State so elects, the expense of further preserving said data shall be paid for by the state. Contractor agrees that State shall have unrestricted reasonable access to the same during said three-year period and throughout the time during which said data is preserved in accordance with this Contract, and Contractor agrees to use best efforts to furnish competent witnesses or to identify such competent witnesses to testify in any court of law regarding said data.

- N. CHANGES IN TIME FOR PERFORMANCE OF TASKS. The time for performance of the tasks and items within the budget, but not the total contract price, may be changed with the prior written approval of the Contract Manager.

However, the date for completion of performance and the total contract price, as well as all other terms not specifically accepted may be altered only by formal amendment of this Contract.

- O. **APPROVAL OF PRODUCT.** Each product to be approved under this Contract shall be approved by the Contract Manager. The State's determination as to satisfactory work shall be final absent fraud, mistake, or arbitrariness.
- P. **SUBSTITUTIONS.** Contractor's key personnel as indicated in its proposal may not be substituted without Contract Manager's prior written approval.
- Q. **NOTICE.** Notice to either party may be given by first class mail properly addressed, postage fully prepaid, to the address beneath the name of each respective party. Such notice shall be effective when received as indicated by post office records or if deemed undeliverable by post office, such notice shall be effective nevertheless 15 days after mailing. Alternatively, notice may be given by personal delivery by any means whatsoever to the party, and such notice shall be deemed effective when delivered.
- R. **WAIVER.** No waiver of any breach of this Contract shall be held to be a waiver of any other or subsequent breach. All remedies afforded in this Contract shall be taken and construed as cumulative, that is, in addition to every other remedy provided therein or by law. The failure of State to enforce at any time the provisions of this Contract, or to require at any time performance by the Contractor of any of the provisions, shall in no way be construed to be a waiver of such provisions not to affect the validity of this Contract or the right of State to enforce said provisions.
- S. **GRATUITIES AND CONTINGENCY FEES.** The State, by written notice to the Contractor, may terminate the right of Contractor to proceed under this Contract if it is found, after notice and hearing by the State, that gratuities were offered or given by the Contractor or any agent or representative of the Contractor to any officer or employee of the State with a view toward securing a contract or securing favorable treatment with respect to the awarding, amending, or performing of such contract, provided that the existence of the facts upon which the State makes such findings that shall be an issue may be reviewed in any competent court.

In the event this Contract is terminated as provided in the paragraph above, State shall be entitled (a) to pursue the same remedies against Contractor as it could pursue in the event of the breach of the Contract by the Contractor, and (b) as a predetermined amount of liquidated damages in addition to any other damages to which it may be entitled by law, to exemplary damages in an amount which shall be not less than three times the cost incurred by the Contractor in providing any such gratuities to any such officer or employee.

The rights and remedies of the State provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

The Contractor warrants by execution of this Contract that no person or selling agency has been employed or retained to solicit or secure this Contract upon a Contract or understanding for a commission, percentage, brokerage or contingent fee, excepting bona fide employees of Contractor, for the purpose of securing business. For breach or violation of this warranty, the State shall have the right to annul this Contract without liability, paying only for the values of the work actually returned, or in its discretion to deduct from the contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

- T. **INSURANCE.** Contractor hereby warrants that it carries and shall maintain in full force and effect during the full term of this contract and any extensions to said term:

Sufficient and adequate Worker's Compensation Insurance for all of its employees who will be engaged in the performance of this Contract and agrees to furnish to State satisfactory evidence thereof at any time the State may request the same; and

Sufficient and adequate Liability Insurance to cover any and all potential liabilities and agrees to furnish to State satisfactory evidence thereof upon request by State.

- U. **PAYMENTS INCLUDE TAXES.** Payments to be made to Contractor as specified herein shall include all taxes of any description—Federal, State and municipal—assessed against Contractor by reason of this Contract. Pursuant to

California Revenue and Taxation Code Section 18806.1, independent contractors may be subject to one percent (1%) State Income Tax withholding.

- V. **CONTRACT IS COMPLETE.** Other than as specified herein, no document or communication passing between the parties hereto shall be deemed a part of this Contract.
- W. **CAPTIONS.** The clause headings appearing in this Contract have been inserted for the purpose of convenience and ready reference. They do no purport to and shall not be deemed to define, limit or extend the scope or intent of the clauses to which they pertain.
- X. **PUBLIC HEARINGS.** If public hearings on the subject matter dealt with in this Contract are held within one year from the contract expiration date, Contractor will make available to testify the personnel assigned to this Contract at the hourly rates specified in the Contractor's proposed budget. State will reimburse Contractor for travel of said personnel at the contract rates for such testimony as may be requested by State.
- Y. **EQUAL EMPLOYMENT OPPORTUNITY.** If this Contract provides for payment in excess of \$10,000 during the performance of this Contract, the Contractor agrees to comply with the provisions of Executive Order 11246 entitled "Equal Employment Opportunity" as amended by Executive Order 11375 and as supplemented in Department of Labor regulations. (41 CFR Part 60)
- Z. **DVBE.** Unless waived by the Department of Mental Health, Contractor shall comply with the Disabled Veteran Business Enterprises participation goal in accordance with the provisions of Public Contract Code Section 10115 et seq.
- AA. **FORCE MAJEURE.** Neither the State nor the Contractor shall be deemed to be in default in the performance of the terms of this Contract if either party is prevented from performing the terms of this Contract by causes beyond its control, including without being limited to: acts of God; interference, rulings, or decision by municipal, Federal, State or other governmental agencies, boards or commissions; any laws and/or regulations of such municipal, State, Federal, or other governmental bodies; or any catastrophe resulting from flood, fire, explosion, or other causes beyond the control of the defaulting party. If any of the stated contingencies occur, the party delayed by force majeure shall immediately give the other parties written notice of the cause of delay. The party delayed by force majeure shall use reasonable diligence to correct the cause of the delay, if correctable, and if the condition that caused the delay is corrected, the party delayed shall immediately give the other parties written notice thereof and shall resume performance under this Contract.
- BB. **PERMITS AND LICENSES.** The Contractor shall procure and keep in full force and effect during the term of this Contract all permits, registrations and licenses necessary to accomplish the work specified in this Contract, and give all notices necessary and incident to the lawful prosecution of the work.
- The Contractor shall keep informed of, observe, comply with, and cause all of its agents and employees to observe and comply with all prevailing Federal, State, and local laws, and rules and regulations made pursuant to said Federal, State, and local laws, which in any way affect the conduct of the work of this Contract. If any conflict arises between provisions of the plans and specifications and any such law above referred to, then the Contractor shall immediately notify the State in writing.
- CC. **LITIGATION.** The State, promptly after receiving notice thereof, shall notify the Contractor in writing of the commencement of any claim, suit, or action against the State or its officers or employees for which the contractor must provide indemnification under this Contract. The failure of the State to give such notice, information, authorization, or assistance shall not relieve the Contractor of its indemnification obligations. The Contractor shall immediately notify the State of any claim or action against it which affects, or may affect, this Contract, the terms and conditions hereunder, or the State, and shall take such action with respect to said claim or action which is consistent with the terms of this Contract and the interest of the State.
- DD. **SEVERABILITY.** If a court of competent jurisdiction holds any provision of this Contract invalid, such invalidity shall not affect any other provision of this Contract and remainder of this Contract shall remain in full force and effect. Therefore, the provisions of this Contract are and shall be deemed to be severable.

EE.BUDGET DISCLAIMER. If this Contract overlaps State fiscal years, should funds not be appropriated by the Legislature for the fiscal year(s) following that during which this Contract was executed, the State may exercise its option to cancel this Contract or reduce funding and make appropriate line item changes upon providing reasonable notice thereof.

If this Contract overlaps Federal and State fiscal years, should funds not be appropriated by Congress and approved by the Legislature for the fiscal year(s) following that during which this Contract was executed, the State may exercise its option to cancel this Contract.

In addition, this Contract is subject to any additional restrictions, limitations, or conditions enacted by Congress or the Legislature, which may affect the provisions or terms of funding of this Contract in any manner.

FF.DISPUTES. Contractor shall first discuss and attempt to resolve any dispute arising under or relating to the performance of this Contract, which is not disposed of by the Contract, informally with the DMH Contract Manager. If the dispute cannot be disposed of at this level, then the dispute shall be decided by the Department of Mental Health's Deputy Director, Administrative Services. All issues pertaining to this dispute shall be submitted in written statements and addressed to the Deputy Director of Administration, Department of Mental Health, 1600 9th Street, Room 150, Sacramento, California 95814. Such written notice must contain the Contract Number. The decision of the Deputy Director of Administrative Services shall be final and binding to all parties. Within ten days of receipt of the written grievance report from the Contractor, the Deputy Director of Administration shall make a determination on the problem, and shall respond in writing to the Contractor indicating the decision. Pending the final decision by the Deputy Director of Administration or his/her designee, the Contractor shall proceed diligently with the performance of the Contract. Neither the pendency of a dispute, nor its consideration by the Deputy Director of Administration, will excuse the Contractor from full and timely performance of the services required in accordance with the terms of the contract.

Notwithstanding any other provisions of this Contract, after recourse to the procedure set forth in the paragraph above, any controversy or claim arising out of or relating to this Contract or breach thereof shall be settled by arbitration at the election of either party in accordance with California Public Contract Code Section 10240 et. seq., and judgment upon the award rendered by the arbitration may be entered in any court having jurisdiction thereof.

GG.PUBLIC CONTRACT CODE. Contractor is advised that provisions of Public Contract Code Sections 10355 through 10382 pertaining to the duties, obligations, and rights of a consultant service contractor are applicable to this Contract.

HH.EVALUATION OF CONTRACTOR'S PERFORMANCE. The Contractor's performance under this Contract will be evaluated by the State after completion of the contract. A copy of the written evaluation will be maintained in the contract file and may be submitted to the Office of Legal Services, Department of General Services.

II.TRAVEL. Contractor's headquarters for purposes of payment of travel shall be the city designated in the signature block unless otherwise specified in the contract.

For travel necessary to the performance of this Contract, contractor shall use and submit travel reimbursement forms provided by DMH. All reimbursements shall be made in accordance with, and shall not exceed the rates authorized by, the State Administrative Manual and the Policies and Procedures of the Department of Mental Health (DMH). All requests to exceed any base reimbursement rate established in the State Administrative Manual or the Policies and Procedures of DMH must be made and approved prior to the date of travel and must be submitted in writing to the State's Contract Manager.

JJ.PRIORITY HIRING CONSIDERATIONS FOR CONTRACTS EXCEEDING \$200,000. If the resulting contract will have a total contract value of \$200,000 or more, the contractor is hereby advised that it will be obligated to give priority consideration in filling vacancies in positions funded by the resulting contract to qualified recipients of aid under Welfare and Institutions Code Section 11200. This requirement shall not interfere with or require a violation of a collective bargaining Contract, a federal affirmative action obligation for hiring disabled veterans of the Vietnam era, or nondiscrimination compliance laws of California and does not require the employment of unqualified recipients of aid.

KK.TERMINATION. Either party may terminate this Contract by giving 30 days written notice to the other party. The notice of termination shall specify the effective date of termination.

Upon the Contractor's receipt of notice of termination from the State, and except as otherwise directed in the notice, the Contractor shall:

1. Stop work on the date specified in the notice.
2. Place no further orders or enter into any further subcontracts for materials, services, or facilities except as necessary to complete work under the Contract up to effective date of termination.
3. Terminate all orders and subcontracts;
4. Promptly take all other reasonable and feasible steps to minimize any additional cost, loss, or expenditure associated with work terminated, including, but not limited to reasonable settlement of all outstanding liability and claims arising out of termination of orders and subcontracts;
5. Deliver or make available to DMH all data, drawings, specifications, reports, estimates, summaries, and such other information and materials as may have been accumulated by the Contractor under this Contract, whether completed, partially completed, or in progress.

In the event of termination, an equitable adjustment in the price provided for this Contract shall be made. Such adjustment shall include reasonable compensation for all services rendered, materials supplies, and expenses incurred pursuant to this Contract prior to the effective date of termination.

LL.CLIENT CONFIDENTIALITY.

1. For contract involving clients and information regarding clients, the Contractor shall protect from unauthorized disclosure, names, and other identifying information concerning persons receiving services pursuant to this contract, except for statistical information not identifying any client. Client is defined as "those persons receiving services pursuant to a Department of Mental Health funded program." Contractor shall not use such identifying information for any purpose other than carrying out the Contractor's obligations under this contract.
2. Contractor shall promptly transmit to the State all requests for disclosure of such identifying information not emanating from the client.
3. Contractor shall not disclose, except as otherwise specifically permitted by this contract or authorized by the client, any such identifying information to anyone other than the State without prior written authorization from the State.
4. For purposes of this section, identity shall include but not be limited to name, identifying number, symbol or other identifying piece of information assigned to the individual, such as a finger or voice print or a photograph which can be used to identify the individual person.